

**Frequently Asked Questions about HDHP's
Including additional Case Studies
October 19, 2007**

- 1. Are the health savings accounts at Tower Bank really FDIC insured? I know that is what you said at the presentation, but there is some small print on one of Tower's handouts that says something is not FDIC insured.**

The health savings accounts maintained at Tower Bank are absolutely FDIC insured just as any bank account would be. If you decide at some point that you want Tower Bank to invest your money in stocks and bonds, then your money is moved out of a bank account and into a brokerage account and it is no longer insured. That is your choice. Most people will not want to invest in securities.

- 2. What counts toward out of pocket maximum? Do prescriptions count?**

All of the money you pay for deductibles and co-insurance, including prescriptions counts towards the out-of-pocket maximum for both of the high deductible plans. For Trad II, it is the money you pay for deductible, co-pays and co-insurance on medical services but it DOES NOT include what you pay in co-pays on prescription drugs.

- 3. Can you use the HSA debit card at an ATM to just withdraw cash?**

No, the debit cards have been programmed for your safety so that they cannot be used at an ATM, to purchase gasoline for your vehicle, or at restaurants.

- 4. Can you show some examples of what expenses would look like for the three plans if the employee had chronic diseases and took a lot of prescription medication?**

Case example 1:

Single male, 52

Individual has high cholesterol, high blood pressure, and acid reflux. Uses the following medicines:

Hydrochlorothiazide, Felodiipine, Crestor, Lorazepam, Lisinopril, and Prilosec OTC

Estimated annual cost \$2,514.17

Individual has Spasmodic Dysphonia requiring quarterly injections; estimated cost \$2,527.20

Individual has an annual physical with associated labs

Individual participates in One Care Street

Member does not participate in the Tobacco Free initiative

	Network Charges	HDHP 1	HDHP 2	Trad II
Annual physicals	100.00	-	-	20.00
Routine labs w/physicals	60.00	20.00*	20.00 *	-
Prescription Costs	2,514.17	2,503.42	1,783.42	1,041.07
Quarterly injections	2,527.20	505.44	505.44	80.00
EE Premium		-	415.22	1,459.38
Total Cost	5,201.37	3,028.86	2,724.08	2,600.45
State's HSA Contribution		1,375.00	935.00	-
One Care Street		260.00	260.00	260.00
Net cost to employee		1,393.86	1,529.08	2,340.45

*Portion of Lab work associated with existing conditions, rather than just preventive screening

Case Example 2:

Married couple

Husband, 63, has diabetes, high cholesterol, and high blood pressure and uses the following medicines/supplies:

Zetia, Quinopril, Humalog Insulin, Test Strips and Pump Supplies
Estimated annual cost \$6,165.00

Wife, 60, has diabetes, high blood pressure, a thyroid condition, and hormone maintenance using the following medicines and supplies:

Prometrium, Metformin, Avandia, Lisinopril, Thyroid,
Spironolactone,
Januvia, Tricor, and One Touch Test Strips
Estimated annual cost \$6,312.00

Husband and Wife have an annual physical with associated lab work

Husband and wife have one other physician office visit during the year with lab work

Husband and wife use network providers

Husband and wife participate in One Care Street

Member does not participate in the Tobacco Free initiative

	Network Charges	HDHP 1	HDHP 2	Trad II
2 annual physicals	200.00	-	-	40.00
Routine labs w/physicals	120.00	40.00 *	40.00*	-
2 DR. visits	200.00	200.00	200.00	40.00
lab work w Dr's. visit	120.00	120.00	120.00	-
Rx Costs	12,473.00	6,206.60	4,440.00 **	2,520.00
EE Premium		-	1,133.08	4,013.62
Total Cost	13,113.00	6,566.60	5,933.08	6,613.62
State's HSA Contribution		2,750.00	1,870.00	-
One Care Street		390.00	390.00	390.00
Net cost to employee		3,426.60	3,673.08	6,223.62

* Portion of Lab work associated with existing conditions,
rather than preventive screening

** Hits Max Out-Of-Pocket

5. If you commit to contributing a specific amount per pay to the health savings account during open enrollment, can you change that amount during the year?

Yes, you can change the amount of your contribution during the year, but it requires completing a new AS-47 and submitting it to the Auditor's office.